

2009 STATE of the CITY ADDRESS

Mayor Philip A. Amicone

Mr. Council President, members of the City Council, honorable judges, distinguished guests and my fellow Yonkers residents watching at home.

Tonight is a wake-up call because we all have a stake in the city of Yonkers...

We will dispense with the pomp and circumstance. There's not going to be any special ceremony. ...Just an honest appraisal of where we are at this moment in time, where we're headed, and what we could become if we put our minds to it.

Now, it's no secret to anybody here or who's watching at home, that this country and everybody in it is in a real mess—and that includes Yonkers. For months we've been telling our taxpayers the harsh details of our financial reality. Revenues are down, unemployment is up, commerce is stagnant and families are bearing the brunt.

That's why I'll begin tonight with the one thing you're most concerned about: the state of the economy and how we, your elected leaders, are dealing with it.

I'm going to take just a moment to tell you what you already know. Sometimes you need to hear the obvious from elected officials because it lets *you* know that *we* understand what you're going through. As I speak, people are at home with their families concerned about their jobs—jobs they count on to pay the bills and hope will one day secure a retirement. Business owners are working late, worried about how they're going to meet payroll. And there are Yonkers kids at college wondering whether or not they'll even have a job waiting at the end of their education. The impact of this recession is real, and it has affected everyone including governments across the country and around the world.

There's no question that times are tough. And in tough times cynicism and doubt are at their zenith and naysayers can test the faith of even the truest believers.

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But while our economy is suffering a temporary, but significant setback, and while many of us are more worried about the future than ever—every person in this chamber, everyone watching tonight, every man, woman and child in this city should know that Yonkers has survived tougher times and we will survive and emerge stronger from these tough times as well. We won't give up on Yonkers.

In the meantime, the weight of the current economic crisis has had an impact on nearly every decision we've all had to make over these past few months. It has caused us to cut back even further than we already have, to do more with less, to make tough choices, and to reevaluate the very nature of how we operate.

But this crisis will not dampen our spirit, nor will it temper our resolve to continue the rebirth taking place in every corner of our city. Yonkers will continue to move forward and tonight I will tell you how.

Let's have an honest conversation about the budget. When the City Council and I acted in bi-partisan cooperation to adopt last year's budget—a budget that took effect on July 1st, we never could have imagined the financial calamity that would come in the months ahead. No one did. But last autumn, the world changed. The housing market dried up, banks collapsed and Wall Street tumbled, spelling trouble for us here at home.

In November, at the end of our first fiscal quarter, we realized that the local tax revenues that pay for all of your city services were shrinking in a precipitous and almost unimaginable decline. I explained to the people of Yonkers that our mortgage and real estate transfer taxes were down more than forty percent. Our sales tax revenues were also going down and over the holiday shopping season they were six percent lower than the year before. The city's temporary investments were even coming in under budget. ...All of it added up to an unprecedented projected deficit of roughly \$16 million.

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But we did more than just deliver bad news. We immediately enacted a comprehensive deficit reduction plan that included numerous cost-cutting measures, a purchasing freeze, personnel redeployments and program cuts to an already bare-bones budget.

Our residents should know that these weren't cuts to extravagant expenses. Police posts in our schools, shorter hours at our libraries, maintenance and repairs to public buildings, supplies for parks and public works equipment, and many more difficult choices... These cuts are real and their effects will be noticed over time. But even after we made cuts to every department, it still wasn't enough.

In December, we sent layoff notices to 76 fulltime and 75 part-time employees. It was the most difficult action I've had to take as Mayor.

I have to mention that, thanks to a lot of hard work and the cooperation of most of our unions, we were able to avert the vast majority of the fulltime layoffs, enabling most city services to go uninterrupted.

I want to thank our unions. But we're going to need more cooperation as we address next year's budget.

It's been more than three months since we enacted the deficit reduction plan, and I can tell you tonight that it is working. We are now projecting a balanced budget at the end of this fiscal year, which ends on June 30th. However, the circumstances that led us to this financial situation are ongoing and we *are* prepared to take further action as needed.

There's no denying that the measures we took, and are prepared to take again, have been painful. I made cuts to programs that I deeply believe in, eliminated some altogether, put important priorities on hold, and *many others* made personal sacrifices as well. But these are difficult times, and just as families and businesses across Yonkers have done, we did what was necessary to ensure our long term fiscal survival.

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I want to thank the City Council for its cooperation in meeting this year's budget challenges. And to the taxpayers I want to say this: be assured we are all working diligently to minimize the impact of the current financial crisis on the services you're entitled to. But I must caution everyone that we are weathering one storm only to see a much larger one gathering on the horizon. Already we are looking toward next year's budget and let me say as simply as I can, the news is not good.

Our projections indicate that more severe pain lie ahead. Even after all of our budget cuts and personnel redeployments, we will still face a projected deficit in excess of \$100 million in next year's budget that takes effect in only a few months.

Lately, numbers we once thought were inconceivable have been thrown around pretty casually. Billions and trillions have become common parlance in the news media. So what's the big deal about a \$100 million deficit in Yonkers? Let me put that number into perspective. We could raise property taxes 20 percent; double the income tax surcharge; layoff 150 city workers including police, fire, and public works employees; layoff 180 teachers, *and* move to one-day-a-week garbage pickup...
...Only then---only then---would we have a balanced budget.

Now every year we hear from some who suggest that we're just "crying wolf," playing the pauper so that New York State will come to our rescue, or so we can ask the taxpayers for a little bit more. Those who think we're crying wolf weren't paying attention when we sent out the layoff notices on January 1st. And if they need a reminder, ask the eleven police officers and six firefighters who were out of work, or the 17 fire officers who were demoted to save money. ...Make no mistake, the gravity of next year's budget crisis cannot be overstated.

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I know these are difficult truths to hear. Considering the hard time most folks are having just making ends meet, I could not in good conscience—nor will I—propose a budget that relies *solely* on higher property taxes to make our way out of this crisis. So the only thing left is to reduce spending, and taking into account the cuts we've already made to the current budget, closing a \$100 million deficit would result in service cuts so draconian that core services and quality of life for every family in this city would be profoundly impacted for the worse. Although this is a worst case scenario, we must be prepared to face this possibility.

In a little more than two weeks, I will submit a new budget to the City Council for the fiscal year beginning July 1st. By law, it will be a balanced budget and will contain the necessary measures, no matter how tough, to keep our city solvent. But the doomsday budget I just outlined need not happen. There are simple, yet concrete measures that will avoid the worst for Yonkers, and they are measures that must be adopted in Albany by our state government and here in Yonkers by the City Council and me.

First, let me address the state budget. As we meet tonight, New York State has not yet adopted its budget for its coming fiscal year that begins on April 1st. That's one of the main reasons I'm delivering this speech tonight.

Everyone must understand that the severity of next year's budget depends directly on how much of your tax dollars are returned to us by New York State. For years we've explained how Yonkers residents and businesses send up too many of their hard earned tax dollars to Albany, while the state government chronically under-funds our public school system. We know this is not done with purpose or intention, and in recent years we *have* made progress in getting state leaders to acknowledge that Yonkers' students are worth the same investment of resources as those in other big city school districts. At the same time, once something is institutionalized—even when it's flawed—it becomes very hard to fix.

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But we have not thrown up our hands and agreed to disagree. Over the past few months, as I have for the past five years, I have met with our state leaders in both the legislature and in the governor's office, offering creative solutions including adjustments to the state education funding formula, the application of federal stimulus monies, and new revenue sources, all of which would help bring Yonkers out of the current budget crisis and help us lay a sturdy foundation for future budgets. We need the governor and the leaders of both houses—the Senate and the Assembly—to join with and support our state delegation in making sure that New York's fourth largest city does not become a ward of the state as so many upstate cities have already become. Plain and simple, our city and school system need additional revenues in the state budget. This message must be clear to all because no less than our success as a city is at stake.

Locally, the City Council and I have a part to play as well. As I explained, we have already cut all we can out of the budget without decimating core services like police, fire, sanitation and parks. So next we must look to secure revenue alternatives that are more palatable than the property tax. Unfortunately, there is no way to face next year's budget deficit without proposing a property tax increase. But in order to make that property tax increase as minimal as possible, we must look at other revenue sources. I realize that no one likes taxes in *any* form, including me. But I have submitted a schedule of user fee increases for things like licenses and building permits—most of which haven't been raised in 30 years or more—that are fairer and more easily applied than the property tax. The City Council needs to act quickly in adopting these new measures.

Finally on the budget, I renew this pledge again here tonight: we will work with everyone in our city, everyone in the State and Federal governments, no matter what job they hold and no matter what background they may have, to achieve a lasting and meaningful economic recovery for our city... Whatever political disagreements we may have, they should never get in the way of abiding by the one philosophy that binds us all: doing the right thing for you - the people we work for.

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Now let there be no doubt: we *will* come through this crisis. We will take whatever measures are necessary, share the pain among us, and tolerate the inconveniences because, collectively, we will not allow Yonkers to fail.

But as we move forward there is a better way. There is a way for Yonkers that doesn't constantly rely on difficult choices, and struggling to get by. A blueprint for more prosperous times has already been drafted if we will just take the time to read it. It's a blueprint that involves every one of us—the mayor and the city council, the taxpayers and the business owners, our partners in Albany and in Washington, and all our labor unions.

Each and every one of us has a role to play and none of us can be relieved of that responsibility to the greater good. And if we follow that blueprint, we will lay a foundation solid enough that we can build Yonkers to the highest of heights, a city strong enough to withstand any hard times that may lie ahead.

That blueprint for prosperity is most greatly affected by the decisions made here in City Hall. This magnificent building was constructed a hundred years ago when our city's fathers sought to build a symbol worthy of the burgeoning industrial powerhouse Yonkers had become. Now, a century later, those of us entrusted by the public not only with the care of this building but also with the care of what this building stands for, are charged with a weightier responsibility at a more critical hour for Yonkers.

So that responsibility is clear to everyone, please understand what I'm about to say.

Right now, our local tax base is not large enough to sustain growth over the long term. If we want to continue to live in a city with a high quality of life, a safe city with schools worthy enough to send our children to, a thriving city with roads and parks and public buildings that we all enjoy using, a city where homeowners can afford to pay their

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property taxes and hope one day their children can too... if we want that city to be Yonkers, then we have no choice but to grow our tax base through new development.

Pause for a moment and consider how lucky we are. Despite the economic downturn, despite our budget crisis, despite all the challenges we face, there are still businesses and people who are willing to invest in Yonkers. Even now, there are serious people who have spent millions of dollars of their own private money, invested thousands of hours, toiled and sweated to overcome many obstacles because they believe in the Yonkers that we believe in.

As the President has said, now is the time to act boldly and wisely – to not only revive this economy, but to build a new foundation for lasting prosperity. Members of the city council, you and I, and every member of this government must live up to this responsibility, there is no other way. The blueprint couldn't be clearer: embrace the commerce that is and always has been the lifeblood of our city or any city; encourage new growth and development that will help employ our residents and provide the revenues we need to rebuild our schools; and above all, act quickly to seize the precious opportunities before us lest they slip away forever.

For Yonkers, seizing on these opportunities means getting shovels in the ground on important developments like the SFC project in our downtown that will change the landscape of our city forever. Everywhere I go, people ask me when are we going to start construction---it's time to get it going! It also means redoubling our efforts to attract new businesses and developers to build on the success that others have already found here. It means moving quickly on planning efforts like the urban renewals for Alexander Street, Nodine Hill and Ravine Avenue—neighborhoods that will be the next frontier of Yonkers' renaissance. It means recognizing that thoughtfulness and thoroughness are not synonymous with delay and indecision. And, above all, it means not giving in to people and special interests who throw up obstacles to our city's progress.

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If we make good on this responsibility, Yonkers will become the city we know it can be. And maybe, just maybe, we will show the rest of New York State what can be done when a true partnership between government and the private sector is forged.

But while our blueprint for success begins here, it does not end here. The same responsibilities to grow our economy and create new jobs and commerce also belong to our state leaders in Albany. Unfortunately, there is a growing sense that some in state government are poised to make wrong decisions that will greatly diminish our ability to realize the growth and prosperity Yonkers deserves. Specifically I'm speaking about the movement to strip localities of powerful job-creating tools and incentives including State Empire Zones, the State Brownfield Tax Credit Program and the Industrial Development Agency. These misguided efforts are guised under the rubric of reform, but will instead destroy our ability to create and retain business. Let me explain...

No one can deny that New York State is a very costly place to do business. We have some of the highest materials, energy, labor, regulatory and tax costs of any state in the country. It is precisely to counteract these high costs of doing business that the state government gave cities like Yonkers the tools and economic incentives that we need in order to attract new businesses and retain existing ones. These tools are not unique to Yonkers. They were given to cities across New York by the state legislature with the purpose of creating jobs. I know it's become the latest in political fashion to trash these programs, but those who do so do it at their own peril and at the expense of every New Yorker. You can demonize business and developers, and you can criticize the tools New York State has given us to attract them all you want, but the fact is we cannot survive without them. Business creates the jobs for most people and pays a significant amount of the tax revenue we use to provide city and school services.

Here are the facts in the face of fallacies: the IDA and the State Empire Zone have created literally thousands of jobs in Yonkers. They have enabled us to construct developments like Stew Leonard's, Home Depot, Costco, the Riverfront Library, Ridge

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Hill Village, the residential buildings downtown and along our waterfront, and Empire City at Yonkers Raceway, and have benefited dozens and dozens of small businesses in every section of this city. And without these legal tools and incentives, even more companies will leave New York's cities than already have—fleeing to other states that have more business friendly policies—and they will take their jobs and their tax revenues with them.

Consider this. Even with the economic development tools currently available to us, we have been unable to stop the flow of manufacturing jobs out of New York. Here in Yonkers we have lost some of our oldest and biggest manufacturing companies in recent years including 250 jobs at World Class Film, 200 jobs at Precision Valve Corporation, and 500 jobs at Stewart EFI—that's a peak loss of almost a thousand jobs to Yonkers along with all the other benefits and spending power those jobs meant to our city, all because of the high cost of doing business in New York State. And we didn't lose these companies to a foreign country. We lost them to New Jersey and South Carolina and Texas.

Given the enormous cost of doing business, considering the flight of business out of our state, and against the backdrop of our current economy, we should be focusing on ways to strengthen economic development tools, not finding ways to limit and take them away.

We've seen how the economy has affected city and state finances, but every day we see that this recession has a human face. Even as we cut back, government still has a fundamental support role to play and one of our main jobs ought to be to help all those who are struggling - help them improve their chances for a job, for keeping their homes, for making ends meet.

That's why I've asked our Office of Economic Development to focus on small businesses during this year's annual Yonkers Business Week. The theme will be

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“helping your business weather the crisis.” We will hold workshops on how businesses can learn to operate more efficiently, negotiate ever more complicated regulations and tax codes, apply for assistance and pool resources. These workshops will be led by industry experts and agencies who are prepared to lend a helping hand, whether that be financial assistance or just good old-fashioned advice.

In a way, our message at this year’s business week will be the same as it’s always been: Yonkers is open for business to those with a good work ethic and a plan for success. But this year, we’ll add a special message for the hundreds of small businesses who’ve always been the backbone of Yonkers economy: this year especially, Yonkers will be there for you.

And while we help small businesses to *stay* in business, we are also working to help those who have already become victims of this financial downturn. Sadly, for the first time in many years unemployment is on the rise here in Yonkers, just like in every other city across this country.

To help meet the needs of unemployed Yonkers’ residents who are looking for work, my administration has partnered with the Workforce Investment Board to invest more than \$1 million of federal funds into employment training. This money, provided through the federal stimulus package, doubles the ability of the Workforce Investment Board to extend training to people who need it. The trouble is, not everybody who needs help, knows how to get it.

That’s where we come in. In a special outreach program directed by our offices of community affairs and constituent services, city employees will utilize the existing network of community based organizations to find and identify people who need assistance. No one should ever be ashamed to say they need a little help, and through this vast network, we will make it easier for people to get the help they need.

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The city is also doing everything it can to help our senior citizens, especially those on a fixed income. About one out of every five people living in Yonkers is over the age of 60, with that population growing every day. This year our Office for the Aging is expanding its meal program to homebound senior citizens. We are also providing assistance with housing placement, Medicaid applications, Social Security issues or Health Insurance Options, and income tax preparation—all efforts that will help our seniors survive this economic downturn.

Most importantly, the best thing we can do as a city to help people succeed in this or any economic climate is to make sure that we have a first-rate education system that prepares our children to go on to college or to enter the workforce as productive wage earners. And because we realize the value of a quality education, over the past five years the City Council and I have made a historic commitment of city resources to the Yonkers Public School System and that investment is paying huge dividends.

Superintendent of Schools Bernard Pierorazio, Board of Education President Father Gerald Sudik, and several of our trustees are here tonight. I know that, just like I am, you are very proud of the school district's superlative achievements over the past year, so please allow me to do a little bragging on your behalf.

This year, throughout the district, English language arts scores climbed more than nine percent, while math scores improved by almost 13 percent. And in 2008, graduation rates climbed an astounding nine percent in one year, with the district graduating more students than at any point in the past five years. And after our students graduate, more of them are going on to college. In fact, at the end of the last school year, Yonkers students earned more than \$20 million worth of scholarships at 163 different colleges and universities.

In particular, I want to mention the Yonkers International Baccalaureate Program, which was ranked 37th in the country by Newsweek magazine—higher than any other school

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in Westchester County. Saunders and Yonkers High Schools were also ranked by US News and World Report among the top 1,000 high schools in the country. These are successes worth investing in.

Finally, I want to bring this home to our taxpayers, many of whom don't have children in the public school system. Of course, we all agree that providing a quality public education improves the community as a whole, but it also provides a real benefit to the taxpayer. When our schools get better—and they are—your property values rise. So the value of better schools pays off in the community many times over.

You know, along the way you and I have been *slowly* building a solid base for the City of Yonkers to become great again. We are transforming our education system, we've made our government more accountable, and we have made tangible progress on the economic development front. But these efforts, while remarkable, have too often come at the heavy price of delay, and if we're honest with ourselves, we would admit that we haven't come as far as we should, nor have we acted quickly enough.

That simple truth—the wake-up call I hope to impart to you—is more important to acknowledge now than it's ever been, because we face some pretty big challenges ahead.

Tonight I have shared with you as plainly as I could the sobering state of the city's finances. I explained how, without *immediate* action both here and in Albany, Yonkers faces dire consequences that will affect every resident and business in our city. But I have also shared our plan to emerge from this crisis stronger than before, if we follow the blueprint for our city's future success.

My fellow residents, as we prepare to meet these challenges over the coming weeks, we *cannot* allow indecision and inaction to paralyze our city's progress or to rob the people of Yonkers of the opportunities we have worked so hard to afford ourselves.

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But our character and strength have never been defined by our circumstances, no matter how great or how troubling they may be. No, we as a people have always been defined by our *actions* in the face of circumstances, and the same is true at this critical hour.

So I end tonight with a call to action to every resident of this city.

To every taxpayer who seeks an end to budget deficits.

To every business owner with a dream and a solid plan to achieve it.

To every parent who sees the progress in our public schools everyday and knows there are more great things ahead.

To every investor who seeks out the City of Yonkers as a gem waiting to be polished.

We need to hear from you. The critics and the naysayers are not the majority of us, even though they may at times be the loudest. Those of us who believe in Yonkers' potential are stronger and greater in number than those who would knock us down. So if you have yet to speak out for a better Yonkers, be silent no more. Hold us accountable, and I promise you we won't let you down.

And to those of us here in this chamber who've been called upon to govern our city in extraordinary times, we know what we must do as well. The circumstances I presented tonight have sent a clear message: we can no longer afford to continue progressing slowly. We must begin to deliver greater progress to the people of Yonkers. There's been too much talk and not enough action, and action is what circumstances and the public demand.

With this in mind, let us pledge to move forward, knowing that the mission of building a better city is even more critical in bad times than it is in good times. And knowing that the seeds of progress we plant today will bear fruit in the years ahead.

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We will not shrink from the challenges that have been placed before us. Instead we will rise to meet them together, determined to see the city that we believe in become the great city of Yonkers that we know it can be.

We know our duty. We are prepared to fulfill it. And, in the same spirit that has guided our city through tougher times, Yonkers will prevail once again.

Thank you. May God bless you, and may God bless this city of Yonkers.